Foreign CROPS AND MARKETS

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FOREIGN CROPS AND MARKETS

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INDIA'S TOBACCO CROP UP 4.3 PERCENT FROM 1955

The final estimate of tobacco production in India in 1956 is placed at 580 million pounds from 921,000 acres. The 1956 crop is 4.3 percent greater than the 1955 crop of 555.5 million pounds from 860,000 acres. Flue-cured production in 1956 is estimated at 128 million pounds as compared with 125 million last year. The average yield per acre for all types throughout India showed a small further decline, from 646 pounds in 1955 to 630 pounds in 1956.

NETHERLANDS' TOBACCO IMPORTS DOWN IN FIRST HALF OF 1956

Netherlands' gross imports of unmanufactured tobacco (direct imports plus withdrawals from bond) during the first half of 1956 totaled 34.1 million pounds as compared with 36.0 million pounds imported during the corresponding period of 1955. Most of the decline occurred in reduced takings from the United States, Indonesia, Rhodesia, Turkey and Brazil. Imports from Canada, Thailand, Communist China, the Philippines and Italy showed significant increases.

NETHERLANDS: Gross imports of unmanufactured tobacco, direct and from bonded warehouses, during January-June 1956, with comparison

Country of Origin	January-June 1955	January-June 1956	Percent change from January-June 1955
	1,000 pounds	1,000 pounds	Percent
United States	14,248	12,650	- 11.2
Indonesia	3,772	3,483	- 7.7
Brazil	3,190	2,998	- 6.0
Greece	2,504	2,529	+ 1.0
Turkey	4,098	2,881	- 29.7
Rhodesia	3,507	2,385	- 32.0
India	1,726	1,720	- 0.4
Philippines	53	271	+ 411.3
Canada	106	527	+ 397.2
Italy	827	1,325	+ 60.2
Cuba	465	1,105	+ 137.6
Other	1,551	2,209	+ 42.4
Total	36,047	34,083	- 5.4

Source: Maandstatistiek vand in-, uit-en doorvoer per goederensoort, June 1956

Takings of United States leaf in the Netherlands were 11 percent below the January-June 1955 level of 14.2 million pounds. Imports of Burley and seedleaf (cigar leaf) increased sharply over the first 6 months last year while takings of Virginia (flue-cured), Kentucky-Tennessee and Maryland declined. Total takings of non-U. S. flue-cured were about .4 million pounds larger, despite an overall decline in imports of Rhodesian leaf.

Gross imports of Oriental tobaccos (Turkish, Greek, and Bulgarian) were about 1.2 million pounds less than the same period last year.

IRAQ ENACTS MUNICIPAL TAX ON TOBACCO PRODUCTS

A new Municipal Revenue Law, No. 84 of 1956, was reportedly passed by the Iraqi Parliament in June to replace Municipal Revenue Law No. 86 of 1931 and subsequent amendments thereto, to make possible improvements for such things as streets, the supply of drinking water, and electricity.

The law introduces new taxes on cigarettes, pipe tobacco and tombac. A tax equal to one-half the excise tax is imposed on cigarettes. A tax equal to one-half the excise tax is also imposed on tobacco and tombac produced in Iraq. The new tax on machine and hand-made cigarettes per pack of 20 is equivalent to about 2.2 and 1.1 U. S. cents, respectively. The tax on pipe tobacco and tombac produced in Iraq is equivalent to about 9.5 and 7.6 U. S. cents per pound, respectively.

U.S. EXPORTS OF UNMANUFACTURED TOBACCO FOR AUGUST TOTAL 36.1 MILLION POUNDS

United States exports of unmanufactured tobacco in August, 1956, totaled 36.1 million pounds, valued at $23.9 million. This was a decrease of 25 percent below August exports a year ago. Decreases occurred in fluecured, Burley, dark-fired Kentucky-Tennessee, cigar wrapper and cigar binder. Exports of flue-cured tobacco to the 7 largest markets accounted for 75 percent of the total for August of this year: United Kingdom, 9.0 million pounds; Japan, 3.2 million; Sweden, 3.0 million; Republic of Indonesia, 2.9 million; Netherlands, 1.8 million; West Germany, 1.4 million; and Belgium-Luxembourg, 1.3 million pounds. Exports of Burley for August declined about 27 percent from those of August 1955, with the largest shipment of 503 thousand pounds to Tunisia. Exports of dark-fired Kentucky-Tennessee were 26 percent lower than August 1955 exports. Netherlands' takings were 69 percent of the total for the month of August 1956. Total exports of all types of tobacco at 258.6 million pounds for the first 8 months of 1956 were slightly below the January-August 1955 exports which amounted to 260.1 million pounds.

Exports of flue-cured tobacco for the January-August 1956 period totaled 202.7 million pounds, a 1.6 percent decrease from the 205.9 million pounds exported during the corresponding period of last year. Exports of flue-cured for the first 8 months of 1956 to the United Kingdom (47.3 million pounds) were 17 percent lower than those of the same period last year. Exports of flue-cured to West Germany for the January-August 1956 period (41.1 million pounds) were 15 percent above those of the first 8 months of 1955 totaling 35.6 million pounds. Exports of Maryland tobacco for the first 8 months of 1956 at 7.8 million pounds, were exceptionally high - representing an increase of 80.5 percent over the exports for the January-August 1955 period. Maryland tobacco exports to Switzerland for January-August 1956 totaled about 4.7 million pounds compared with 2.7 million pounds for the same period of last year. Virginia fire-cured, cigar wrapper and cigar binder showed considerable increases over January-August 1955, while Green River, One Sucker and Black Fat exports were considerably below those for January-August 1955.

UNITED STATES: Exports of unmanufactured tobacco, August 1956 and January-August 1956, with comparisons (export weight)

	August		Percent Change	January-August		Percent Change
	1955	1956		1955	1956	
	1,000 pounds	1,000 pounds	Percent	1,000 pounds	1,000 pounds	Percent
Flue-cured	41,375	30,171	- 27.1	205,946	202,740	- 1.6
Burley	2,547	1,855	- 27.2	20,858	18,265	- 12.4
Dark-fired Kentucky-Tennessee	1,980	1,463	- 26.1	14,726	16,054	+ 9.0
Virginia fire-cured 1/	114	630	+452.6	1,773	3,220	+ 81.6
Maryland	543	858	+ 58.0	4,321	7,799	+ 80.5
Green River	3	32	+966.7	1,748	870	- 51.2
One Sucker	-	50		1,680	253	- 84.9
Black Fat	356	363	+ 2.0	3,532	2,853	- 19.2
Cigar Wrapper	365	279	- 23.6	2,431	2,634	+ 8.4
Cigar Binder	143	43	- 69.9	762	1,250	+ 64.0
Cigar Filler	4	5	+ 25.0	12	314	-
Other	419	359	- 14.3	2,320	2,376	+ 2.4
Total	47,849	36,108	- 24.5	260,109	258,628	- .6
Declared Value (million dollars)	32.0	23.9	- 25.3	167.6	163.5	- 2.4

1/ Includes sun-cured.

Compiled in the Foreign Agricultural Service from records of the Bureau of the Census.

The total value of August exports of tobacco products at $5.6 million showed a 16.7 percent increase from August 1955. August exports of cigarettes increased 24.6 percent, but smoking tobacco in bulk decreased 50 percent as compared with August a year ago. For the 8-month period January-August 1956, cigars and cheroots showed a 32 percent gain over the same period last year, while cigarettes increased by 4.7 percent.

UNITED STATES: Exports of tobacco products, August 1956 and January-August 1956, with comparisons

	August		Percent Change	January 1955	August 1956	Percent Change
	1955	1956				
Cigars and Cheroots (1,000 pieces)	550	623	+ 13.2	3,594	4,744	+ 32.0
Cigarettes (million pieces)	1,080	1,346	+ 24.6	10,000	10,470	+ 4.7
Smoking tobacco (in bulk)	685	349	- 50.9	3,987	3,751	- 5.9
Declared value 1/ (million dollars	4.8	5.6	+ 16.7	41.3	43.6	+ 5.6

1/ Includes value of tobacco manufactures not separately shown.

Compiled in the Foreign Agricultural Service from records of the Bureau of the Census.

SAN SALVADOR PUTS RESTRICTIONS ON HYBRID SEED CORN SALES.

Effective September 20, 1956, San Salvador prohibited the offering for sale of hybrid seed corn unless grown by a licensed producer under the supervision of the Ministry. Imports and exports are also restricted, and can only be made with a permit.

The seed bags must be labeled with the producer's name, variety, origin, date of production, registry number, percentage of bad seed, noxious weed seed, inert material, percentage germination, and date of test.

The Servicio de Semillas de Maiz Hybrido is to supervise production as well as inspect and test imported seed according to the decree. The purpose is to make the producers and intermediaries guarantee that the quality of the seed is that shown on the tag. To this end the Servicio is expected to take samples and determine the methods of making tests, analysis or examination of the seed.

CANADA REPORTS LARGE DURUM WHEAT CROP

Production of durum wheat in Canada for the current season is now estimated at 41.3 million bushels, sharply above the previous record and 24 million bushels above the 1955 outturn. The record harvest this season is attributed to increased acreage since yields in the principal producing Provinces are virtually unchanged from the 1955 yields.

Durum production in Saskatchewan, the ranking producer, is estimated at 26 million bushels, compared with 11.3 million in 1955. Acreage in that Province is placed at 1,100,000 acres compared with 475,000 a year ago. Production is estimated at 15 million bushels in Alberta, now the second largest producer of durum in Canada, which contrasts with 5.8 million bushels last year. Alberta's durum acreage rose from 206,000 acres in 1955 to 535,000 this season. Yields in both years were estimated at 28 bushels per acre.

FOOT-AND-MOUTH DISEASE SPREADS IN FRANCE

Foot-and-mouth disease in France has spread materially during the past several months. The number of localities where cattle have been infected jumped from 194 in March to 1,168 by the end of September. France is stepping up its campaign against the disease in an attempt to ward off an epidemic comparable with 1952 when 231,000 head of livestock were lost. There also has been an increase in the disease in other areas of Europe this year.

The Federal Republic of Germany has embargoed imports of livestock and certain types of meat from France because of the disease. France's exports to Germany in the first half of 1956 included 37,686 cattle for slaughter, 3,656 metric tons of fresh or frozen beef and 753 tons of frozen pork. Because of these outbreaks, Germany may be forced to obtain some of its supplies from other sources.

ARGENTINE CATTLE NUMBERS SET NEW RECORD

Argentina has a record number of 49 million head of cattle on farms and ranches, according to a recent announcement of the Argentine Minister of Agriculture. Cattle numbers are reported to be 48 percent greater than in 1937. Beef production this year will probably set a new record and exports will be the greatest since at least 1947.

Since the drought of 1952-53, conditions have been favorable to an increase in cattle numbers. During several years of the "Peronista" Government all of the exportable surplus of grain and oilseed crops were purchased by the government at relatively low prices. In turn these products were sold at a profit in world markets.

Because of the decreasing profitability of grain, many farmers switched to cattle production. Also, cattle producers were assured a ready market for their surplus meat. Labor costs in connection with grain were rising which gave additional impetus to livestock raising.

One of the first actions of the new government, which came into power following the revolution in September 1955, was to devalue the peso and increase prices of crops and wool in relation to cattle. A sharp increase has occurred in the acreage planted to sunflowers. Wheat prices have been established at a more normal relationship to cattle prices. Livestock producers have appraised the future prospects for the industry and have greatly increased marketings.

Cattle numbers may level off or decrease in Argentina, but beef production will probably continue large for several years with the record number of cattle now on hand. Beef production during 1956 is expected to set a new record of around 2,530,000 metric tons and the Minister of Agriculture has estimated that 600,000 tons (including canned and preserved) will be exported this year. Total cattle slaughter will be around 11.7 million head. Exports of meat this year will be the largest since at least 1947 and possibly the largest since 1942 or 1943.

Argentina has been increasing beef exports to countries other than the United Kingdom, which has always been the chief export destination. During the first half of 1956 roughly one-third of Argentina's exports of frozen beef quarters was shipped to the Federal Republic of Germany, Italy and other South American countries.

Recently a shipment of chilled beef carcasses went to Italy, the first shipment of chilled beef outside the U. K. since before World War II. The Gualeguaychu packing plant has been authorized to ship up to 150 tons to that country. Shipments are being carried on Italian liners.

ARGENTINA: Number of Cattle and Calves on Farms and Ranches, Specified Dates 1930-56

Year	All Cattle and Calves		Cows	
	1,000	Index No. (1937=100)	1,000	Index No. (1937=100)
1930	32,212	97	13,745	96
1934	30,868	93	--	--
1937	33,207	100	14,337	100
1942	31,460	95	13,653	95
1945	34,000	102	--	--
1947 (May)	41,048	126	16,733	116
1952 (Nov.)	1/ 45,263	137	17,635	123
1954 (June 30)	43,596	131	17,865	124
1956 (June 30)	49,028	148		

1/ Around 43 million, if adjusted to a May basis.

Source: Ministry of Agriculture and Livestock and National Statistical Service, as published in "The Review of the River Plate".

AUSTRALIA CONTINUES BEEF EXPORT SUBSIDY

The Australian government has announced its "export bounty" on beef placed in storage during the period November 4 to December 1, 1956 for shipment to the United Kingdom. The bounty or premium according to the announcement will be 1½ pence (1-3/4 cents) per pound. This is a continuation of the same rate which was applicable during August-October of this year. During the period of April 16 to July 31 it was 2 pence per pound.

The subsidy is paid on all chilled and frozen first and second quality steer, heifer and cow beef.

AUSTRALIAN WOOL PRICES
GENERALLY FIRM

Wool auctions were held during the week ending October 12, at Sydney, Melbourne, and Perth. The 167,000 bales offered at the three sales was the largest weekly offering of the season. Prices held generally firm for fine and medium quality descriptions while strong quality and burry descriptions weakened slightly by the end of the week. Japan, the Continent and United Kingdom were the principal buyers at the 3 sales.

The Queensland shearing dispute appears to be settled. (See Foreign Crops and Markets, October 29, 1956, page 11). The Arbitration Court handed down an interim (shearing wage) award equivalent to $16.91 per hundred sheep. The new wage rate is about $1.40 per hundred sheep above the previously determined rate.

AUSTRALIAN WOOL PRICES

Wool Prices: Average raw wool costs, clean basis, on Australian auction floors, by quality classification.

(Current prices with comparisons)

Type and Grade	Week Ended		
	10-5-56	10-12-56	Year Ago 10-14-55
	U.S. DOLLARS PER POUND		
Combing Wools			
70's Good	1.59	1.59	1.28
Average	1.53	1.51	1.21
64's Good	1.43	1.41	1.11
Average	1.39	1.36	1.07
60's Good	1.29	1.26	1.00
Average	1.25	1.21	.96
58's Good	1.18	1.15	.93
Average	1.14	1.10	.90
56's Good	1.02	1.01	.88
Average	.99	.98	.84
50's Good	.91	.91	.77
Average	.88	.88	.77
Carding Wools			
Merino	.85	.85	.67
Comeback	.76	.77	.63
Fine Crossbred	.67	.68	.62
Medium Crossbred	.65	.66	.62

Source: Wool Statistical Service Australian Wool Bureau.

WORLD OUTPUT OF DAIRY PRODUCTS, SECOND QUARTER, 1956

Factory production of butter, canned milk and dried milk increased, and cheese production decreased in the principal producing countries in the second quarter of 1956, compared with the same quarter of 1955.

In Denmark and France, lower milk production reflected poor pasture conditions. Milk production was down in Sweden, but up in Norway and the Federal Republic of Germany. Conditions for production were favorable in both Australia and New Zealand. Pastures in Canada got off to a slow start and milk production was below last year. In the United States, yield per cow continued high and milk production in the second quarter exceeded that of comparable 1955.

Butter production in factories increased 2 percent during the April-June period of 1956, compared with the same 3 months of 1955. In Denmark, output showed an increase, attributed in part to the availability of larger supplies for butter manufacture and in part to the satisfactory prices obtained for butter. A new all time record for the quarter was set in the Federal Republic of Germany where production was encouraged by a very good market and high prices. Increased milk deliveries in Ireland were reflected in increased butter production. With greater availability of supplies for manufacturing, output of butter in the United Kingdom, Finland, the Netherlands and Norway rose above that of a year ago. Australia and New Zealand also reported heavier production in the second quarter. In both Canada and the United States, output of butter declined.

Factory production of cheese in the second quarter dropped 2 percent below comparable 1955. In Denmark, lower prices and the accumulation of rather large inventories served as restraints on cheese production. In both Sweden and the Netherlands, output declined sharply. Norway and the United Kingdom reported increased production in this quarter. Gains also were made in Australia and New Zealand. Production in both Canada and the United States dropped below the 1955 level.

Over-all canned milk production was up 2 percent in the second quarter of 1956. All major producing countries reporting expanded production with the exception of the United States.

Dried milk production in the second quarter of 1956 rose 4 percent over the same quarter of 1955. Canada and the United States were the only important producing countries in which output declined in this period.

Prospects in Denmark and the Federal Republic of Germany appear to be favorable for the remainder of the year. In Australia, all factors point to continued high production, but in New Zealand, recent heavy rains have water-logged pastures and stock have lost condition.

FACTORY DAIRY PRODUCTS: Output in principal producing and exporting countries, 2nd Quarter (calendar) 1956, with comparisons

Country and Product	Average 1934-38	Average 1946-50	Total 1955	1955 2nd Quarter	1955 3rd Quarter	1955 4th Quarter	1956 1st Quarter	1956 2nd Quarter	Second Quarter 1956/1955
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	Percent
BUTTER									
Canada	1/ 254,774	277,868	319,687	106,745	117,103	61,527	36,842	100,517	94
United States	1,705,240	1,301,830	1,382,400	440,990	318,945	289,665	352,290	430,030	98
Belgium	46,179	55,353	99,355	—	—	—	—	—	—
Denmark	400,660	318,697	364,200	109,128	97,884	78,925	83,113	112,655	103
Finland	61,287	2/ 61,215	107,421	3/ 31,001	3/ 31,466	3/ 23,574	3/ 28,966	42,791	138
France 4/	220,000	—	483,000	150,000	130,000	106,000	92,000	139,000	93
Republic of Germany	5/6/ 560,000	492,188	3/ 639,854	187,611	3/ 175,870	141,405	144,882	197,868	105
Ireland	89,400	68,648	3/ 84,112	3/ 27,421	35,887	16,827	5,331	32,111	117
Netherlands	201,000	155,620	161,992	56,557	47,529	32,155	3/ 28,565	59,524	105
Norway	24,930	20,049	23,162	9,751	6,047	2,724	4,511	11,376	117
Sweden	152,769	216,442	185,595	56,252	55,207	36,331	3/ 37,025	55,816	99
Switzerland 7/	57,760	36,949	8/ 57,540	17,461	16,197	10,961	—	—	—
United Kingdom	44,200	23,529	3/ 33,600	3/ 17,920	3/ 7,168	3,360	3/ 7,840	23,744	132
Argentina	65,742	100,657	3/ 124,281	3/ 29,226	22,282	33,273	46,861	31,211	107
Union of South Africa	9/ 27,725	44,845	78,269	17,340	14,653	20,844	25,539	—	—
Australia	6/ 415,250	354,371	443,901	65,966	89,515	169,736	134,078	67,754	103
New Zealand	6/ 366,912	346,095	3/ 427,419	3/ 34,817	3/ 82,380	3/ 186,520	3/ 137,723	41,328	119
CHEESE									
Canada 10/	1/ 119,924	114,329	79,238	27,361	30,925	14,622	6,947	25,348	93
United States	643,234	1,156,005	1,353,415	447,045	342,810	269,360	311,200	442,125	99
Denmark	68,820	123,634	193,344	63,272	56,659	35,494	33,069	60,846	96
France	11/	11/	494,000	159,000	148,000	99,000	91,000	157,000	99
Italy 12/	523,513	491,326	767,642	—	—	—	—	—	—
Netherlands	4/ 200,000	176,926	347,738	119,562	102,838	73,538	56,482	95,679	80
Norway 13/	39,067	35,564	63,552	22,706	17,255	10,430	15,126	25,256	111
Sweden	76,059	115,005	3/ 119,276	3/ 41,655	35,225	21,364	3/ 22,719	35,242	85
Switzerland 13/	111,729	107,232	8/ 132,717	37,430	42,802	24,148	—	—	—
United Kingdom 7/	109,000	69,888	3/ 141,344	60,480	3/ 29,792	22,400	42,560	76,384	126
Argentina	67,873	203,830	275,575	3/ 66,702	59,447	3/ 75,226	80,672	60,534	91
Union of South Africa	9/ 10,195	17,967	26,553	5,645	5,779	7,397	7,689	—	—
Australia	6/ 48,400	98,396	87,867	11,335	21,773	34,012	18,964	11,649	103
New Zealand	6/ 210,911	216,842	3/ 212,697	3/ 18,323	3/ 33,197	3/ 94,143	3/ 66,348	22,109	121

CANNED MILK										
Canada 14/	1/	104,335	266,532	320,504	105,421	104,715	59,769	57,269	107,034	102
United States 15/		1,970,189	3,170,576 3/	2,618,200 3/	891,965 3/	678,350	471,325	556,445	862,960	97
Cuba	16/	32,564	36,655	64,705	—	—	—	—	—	—
Denmark		40,785	58,701	—	—	—	—	—	—	—
France	17/	28,953 16/	57,984 4/	110,000	—	—	—	—	—	—
Republic of Germany		11/	11/	485,472	172,546	141,595	94,578	105,523	193,599	112
Netherlands		309,952	181,222	576,798	167,697	162,020	134,682 3/	119,304	193,563	115
Switzerland		14,198	13,031	—	—	—	—	—	—	—
United Kingdom		378,560	219,914 3/	397,376 3/	167,104 3/	85,120 3/	67,872	86,240	179,648	108
Argentina	18/	3,159 16/	11,914	25,573	4,991	5,616	8,015	6,632	5,199	104
Australia	6/	41,894	132,745 3/	121,366 3/	12,230	26,237 3/	54,787	35,025	17,808	146
New Zealand	16/	11,273	—	—	—	—	—	—	—	—
DRIED MILK 19/										
Canada	1/	26,079	70,876 3/	106,308 3/	36,416	33,964	22,797	13,982	34,930	96
United States	16/	203,555	913,436	1,587,820	561,975	339,570	315,375	429,500	557,890	99
Belgium		5,500	6,607	34,804	—	—	—	—	—	—
Denmark		2,205	16,866	—	—	—	—	—	—	—
France	17/	7,685 16/	3,308 4/	22,000	—	—	—	—	—	—
Republic of Germany		11/	11/	83,224	30,145	26,089	17,095	17,734	38,463	128
Netherlands		56,438	54,468	117,757	61,473	37,912	8,054	13,967	69,886	114
Sweden		1,351	24,566	23,227	8,889	6,758	3,462	6,523	11,861	133
Switzerland		7,187	10,847	—	—	—	—	—	—	—
United Kingdom		43,098	73,848 3/	99,904	46,592	18,816 3/	17,696	27,552	57,568	124
Argentina	18/	3,977 16/	14,070	22,707	5,015	3,455	7,068	8,329	4,588	91
Australia	6/	16,971	54,235 3/	96,536 3/	8,152	20,794	44,908	28,416	12,826	157
New Zealand	20/	17,429	—	—	—	—	—	—	—	—

1/ Average 1935-39. 2/ Average 1948-50. 3/ Revised. 4/ Estimated. 5/ Average 1935-38. 6/ Production year ending June 30. 7/ Total production. 8/ Annual production figures more complete than monthly figures used in quarterly data. 9/ Production year ending August 31. 10/ Cheddar cheese only. 11/ Not available. 12/ Total cheese, and includes cheese made from the milk of sheep and goats. 13/ Total cheese, and includes cheese made from the milk of goats. 14/ Both bulk and case goods. 15/ Evaporated whole and condensed whole case goods only. (Estimates of bulk types discontinued). 16/ Less than a 5-year average. 17/ For 1937. 18/ For 1939. 19/ Total dried whole milk and dried skim milk for human consumption. 20/ For 1938.

Foreign Agricultural Service. Prepared or estimated from official statistics, reports of Agricultural Attaches and other U. S. representatives abroad, and other information. November 5, 1956.

NEW ZEALAND MOVES TO
CHANGE DAIRY SETUP

The composition and functions of New Zealand's dairy control system will undergo radical changes if the Dairy Products Marketing Commission Amendment Bill, recently introduced in the lower house of the New Zealand national legislature, is passed. Since the bill has the full support of the Government, it is quite likely that it will move through the legislature without major amendment. The bill would:

1. Reconstitute the Dairy Commission which will be responsible solely for the marketing of dairy produce. The membership would consist of 3 members appointed as Government representatives, two members of the Dairy Board, and 2 members appointed from outside the Board;

2. Designate a special authority, composed of members of the Commission, Government representatives, and a chairman agreed upon by the others, to have control of price fixing. This Dairy Products Prices Authority would fix the prices of butter and cheese acquired by the Commission and authorize payments from any annual surplus obtained from the sale of these products.

3. Replace the present guaranteed price with a floor price, which could be changed during the season if conditions warrant, but allow for end-of-season extras. Cost of production is to be taken into account in price fixing, and for the first season of operation (beginning August 1, 1957) the price fixed will be not less than 95 percent of cost of production while in subsequent seasons not less than 95 percent of the maximum price fixed for any part of the preceding season.

4. Give statutory effect to the present Dairy Industry Loans Council which will grant loans to cooperative dairy firms from the dairy industry account for purposes deemed desirable by the Minister of Agriculture and the Dairy Board.

The Amendment Bill closely follows the recommendations of the Dominion Dairy Conference (see Foreign Crops and Markets, September 3, 1956).

ARGENTINA'S EXPORTS OF
BUTTER AND CASEIN

Exports of butter from Argentina in the first 9 months of 1956 at 26.5 million pounds were 22 percent above comparable 1955 and almost equal to shipments for the entire year 1955 which totalled 27.9 million pounds.

Casein exports for January-September, 1956 amounted to 47.8 million pounds, a drop of 22 percent from the same period a year earlier. It now appears unlikely that exports of casein in 1956 will equal the 1955 volume. Unless the market picks up momentum between now and the end of the year, exports for the year as a whole may be lower than those of 1955 (82.4 million pounds) or 1954 (73.3 million pounds).

LONDON IS MARKET FOR NEW ZEALAND RINDLESS CHEESE

While some trouble spots have developed in the manufacturing of rindless cheese in New Zealand (see Foreign Crops and Markets, July 23, 1956), the difficulties are expected to be overcome shortly. The Kraft Cheese Company's London affiliate expects to market a considerable amount of the rindless cheese. To assist New Zealand in the further development of the rindless type cheese for export, Mr. K. Snyder, American production manager of the Kraft Cheese Company, is consulting with officials in New Zealand.

KENYA BUTTER FOR CONGO

Representatives of the Kenya Cooperative Creamery have made a 3-day survey of the butter market in Stanleyville, Belgian Congo. The survey was made to determine the possibility of increasing Kenya's butter exports to the Congo. Another survey will be made in Elizabethville, which is another part of the eastern Congo being served by the Kenya Cooperative Creamery. The Kenya butter goes by rail through Kampala or by highway through the Northern Rhodesia copperbelt.

Kenya butter is a quality product and about 2,000 pounds is shipped daily by the Cooperative to East African markets. Annual sales in these markets have run over 6 million pounds for the past 2 years. Kenya also sells about 1.2 million pounds of butter annually on the United Kingdom market.

NORTHERN NEW ZEALAND SUFFERS HEAVY STOCK LOSSES

Continuous rain, floods, and cold weather throughout the autumn and winter months in northern New Zealand have caused reported stock losses of about 15,000 head of cattle, one third of which are dairy cows. Milk production in the affected area north of Auckland is estimated to be down 15 percent.

Usual mild weather and year-round pastures make the area particularly susceptible. Lack of housing has resulted in calf mortality, due to exposure, and the limited supplemental feed available has already been substituted for the poor pastures.

ISRAEL IMPOSES IMPORT TAX ON RAW COTTON

The Government of Israel announced September 11, 1956, that an import duty of IL. 0.350 per kilogram (equivalent to 8.89 U. S. cents a pound) will be imposed on cotton imports effective for cotton loaded in export ports after July 31, 1956. Raw cotton imports previously had been exempt from custom duties in accordance with the announced policy of the Government to encourage industrial production by exempting from tariff duties commodities used as raw material by local industries.

Imposition of the duty is intended to give encouragement and protection to the new and rapidly expanding cotton-growing industry. Last year the price paid by spinners for local cotton, notwithstanding government subsidies paid to the growers, was about 15 percent higher than the price of imported cotton. The price difference became even wider this year as a result of a higher price fixed for local cotton to compensate growers for damage to the current crop, and the general decline in world cotton prices.

Cotton production in Israel has increased sharply in the last few years. Production for the August-July 1956-57 crop is estimated at 22,000 bales (500 pounds gross) as compared with 11,000 bales in 1955-56 and 4,000 in 1954-55. Production in earlier years was on an experimental basis. The area planted to cotton for 1956-57 is estimated at 12,000 acres as compared with 6,000 in 1955-56 and 2,000 in 1954-55. This indicates an average yield of around 2 bales per acre. This high yield is attributed to heavy use of fertilizer and the irrigation of all cotton land.

Israel's cotton requirements for August-July 1956-57 are tentatively estimated at about 37,000 bales, up about 28 percent from the 29,000 bales utilized in 1955-56. Consumption in 1954-55 amounted to 28,000 bales as compared with 25,000 in 1953-54. Agricultural plans of the Government call for self-sufficiency in cotton production by 1960.

Most of the mill requirements not met by local production in past years have been filled by imports, principally from the United States and Turkey. Imports in 1955-56 were estimated at 20,000 bales, about 15,000 of which were from the United States. Imports during 1954-55 were estimated at 26,000 bales, of which 20,000 were from the United States. Cotton stocks on August 1, 1956, were estimated at 9,000 bales as compared with 7,000 bales held a year earlier.

GOLD COAST CACAO OUTLOOK UNCERTAIN

The 1956-57 main crop of cacao in the Gold Coast may be lower than normal due to the prolonged drought in July and August. The crop is an early one and harvesting may be completed by the end of November. Late rains in September caused some flowering and pod setting, which may give a late harvest in March.

The cumulative total of trees cut out for swollen shoot control now amounts to over 54 million trees or the equivalent of more than 91 thousand acres of cacao of 600 trees each. The heaviest cut out for swollen shoot continues to be in the Eastern Region of the country. Replanting to date of cut out areas is estimated at 28,640 acres or 32 percent of the area. Most of the new plantings are in the Ashanti area.

The early and prolonged dry weather in June, July and August kept black pod damage low, but the gains from low black pod losses were not enough to offset the losses due to the withering of small pods. The farmers are still spraying with carbide Bordeaux and Peonox for black pod control. If the capsid spraying program is a success, secondary fungus infections through capsid lesions should be greatly reduced.

NIGERIAN CACAO OUTLOOK IMPROVING

Dry weahter in July and August reportedly has aided the present Nigerian cacao crop, and weather has been favorable for good quality. Black pod control is believed to be a major factor in the increased production and improved quality. Swollen shoot continues to be a problem and there is a strict inspection and cutout program outside of the mass infection area.

There was a rush to sell every available cacao bean before the new producer prices became effective. It is believed that the entire 1955-56 main and light crops were purchased before the 1956-57 season opened. The reduced producer price for the 1956-57 crop seems to have spurred the farmers into better cultural and quality control practices so as to keep their net income near its previous level.

GREEK DRIED FIG PRODUCTION LARGER

The 1956 dried fig pack in Greece is estimated at 32,000 short tons, or 4,000 tons more than the 28,000 tons produced in 1955. The current pack is over 20 percent larger than the average (1949-53) of 26,500 tons.

The overall quality of the 1956 crop is reportedly very good. The hot, dry weather, which reduced the size and weight of the fruit during the growing season, continued through the drying stage. As a result, disease and insect infestation were kept to a minimum. Endosepsis incidence is said to be only 2 to 3 percent this season as compared with 8 to 10 percent last year. The percentage of low grade figs (discards) is reportedly only 20 percent in contrast with 50 percent last year.

Supply and disappearance balances for the 1955-56 and 1956-57 seasons are as follows:

	1955-56 Estimate	1956-57 Forecast
	-- Short tons - -	
Production	28,000	32,000
Beginning stocks (Sept. 1)	none	none
Total supply	28,000	32,000
Exports	15,600	19,800
Domestic disappearance	12,400	12,200
Ending stocks (Aug. 31)	none	none
Total disappearance	28,000	32,000

Greek exports in 1955-56 were 1,126 tons smaller than in 1954-55 as can be seen from the tabulation below. In both seasons, Germany was the largest outlet for Greek figs, followed by Austria and then the United States. Estimates for the current season point to a considerably higher level of overall exports than in the past 2 seasons.

FIGS, DRIED: Exports from Greece, by country of destination, 1954-55 and 1955-56 marketing seasons

Country of destination	1954-55	1955-56
	- - Short tons - -	
Germany, Federal Republic of	6,880	6,155
Austria	2,810	2,410
United States	2,254	1,828
Egypt	917	1,134
India	757	993
Switzerland	648	408
Rumania	218	329
France	382	237
Italy	31	133
Brazil	281	9
Other countries	1,537	1,954
Total	16,715	15,589

It is reported from Greece that rejections of shipments of dried figs to the United States amounted to about 7 percent in 1955-56 and only 0.5 percent in 1954-55. Poor drying conditions and the low quality of the crop were mainly responsible for the increase in rejections. In expectation of very low rejections, United States importers ordered 20 percent less figs from Greece in 1955-56 than in 1954-55 since in previous seasons orders were greater than actual needs to allow for rejections.

According to an unofficial estimate, Greece has already exported about 1,800 short tons of dried figs to the United States this season or approximately as much as last season. Although a greater quantity of American grade figs was available for export, a delay of about 10 days in the opening of the market caused a considerable reduction in the expected exports because of the regulation that there can be no loading of figs for the United States after September 30.

Export prices for figs for shipment to the United States ranged from 11.5 to 12.5 cents per pound for this year's crop or about 10 percent higher than last year. The European markets opened the current season by paying prices 10 to 20 percent higher than last year but a decline set in as the season progressed. Thus, European grade A figs which started at 200 dollars per short ton had fallen to 185 dollars by the end of September. Comparable prices last year ranged from 163 dollars to 172 dollars. In the lower European grades, this reduction in price was even more pronounced; the market opened at 145 dollars and dropped to 125 per short ton.

Although foreign prices were, in general, higher this season than last, the producer did not receive the benefit of the higher price. The advanced prices resulted from increased transportation costs and higher wages. Grower prices this season ranged between 4.7 and 5.3 cents per pound. Substandard figs brought 2.7 cents per pound as compared with 3.5 cents per pound last year.

PORTUGUESE DRIED FIG CROP DOWN

The 1956 Portuguese dried fig crop has suffered serious damage from wet weather during the drying period. As a result, the edible pack is now indicated at 8,000 short tons, according to unofficial estimates. By comparison, the edible pack in 1955 amounted to 11,000 tons. Average production (1949-53) is 10,900 tons.

ISRAEL CITRUS HARVEST TO BEGIN IN MID-NOVEMBER

The harvest of citrus fruit in Israel is scheduled to begin about November 12. About 130,000 boxes of grapefruit are expected to be shipped to the United Kingdom in time for the Christmas market. Both France and Finland have placed larger orders than in the early part of last season. Prices are generally about 30 percent above last year and ocean freight rates have advanced about 10 percent.

NORTH AFRICAN CITRUS SEASON DELAYED

Warm and stormy weather has delayed the coloring of citrus fruit in Algeria and Morocco. Picking of Clementines may start about the first of November, while Navels will be harvested about mid-November in Algeria and early December in Morocco. Exports of grapefruit and lemons have started from Tunisia and exports of grapefruit from Algeria should start about the first of November.

DENMARK HAS LARGE POTATO CROP

A potato crop estimated at 31 million hundredweight, compared to 22 million hundredweight last year, is forecast for Denmark. The crop is of excellent quality. It is expected that about 18 million hundredweight will be available for export or animal feed.

AUSTRIA RELAXES FRUIT IMPORT DUTIES FOR CHRISTMAS TRADE

Imports of oranges, mandarins and bananas into Austria will be customs free for the Christmas season from November 15 to December 31.

EXPORTS OF U.S. BEANS LARGER

U.S. exports of dry edible beans during the marketing year which ended August 31, 1956, were almost $\frac{1}{2}$ million bags larger than last year, but about the same as in 1953-54. In the season just ended exports of white beans to Western Europe amounted to about 750,000 bags compared to only 300,000 for the previous season. The small exports in 1954-55 were due to the small U.S. crop of white beans.

Exports of U.S. beans to Latin America have remained relatively steady during the past 3 years at a rate of slightly over 1 million bags per year. Most of the beans shipped to this area are of the colored classes. Cuba, Venezuela, and Mexico are the largest commercial markets. Several other Latin American countries have received beans for relief feeding under Title II, Public Law 480.

BEANS: dry (including seed): Exports from United States by Country of Destination 1953-54 and 1955-56

Country of destination	Year beginning September 1		
	1953	1954	1955
	1,000 - 100 lb. bags		
Spain	10	-	-
Hungary	-	22	-
Italy	10	17	70
Belgium and Luxembourg	34	16	9
United Kingdom	431	155	527
Netherlands	180	55	56
Federal Republic of Germany	96	30	14
Greece	105	1	-
Yugoslavia	37	-	22
Other European Countries	9	4	7
Total Europe	912	300	705
Cuba	626	739	750
El Salvador	-	60	-
Venezuela	40	45	32
Mexico	394	203	233
Costa Rica	-	-	122
Nicaragua	-	40	3
Guatamala	-	-	10
Colombia	14	11	2
Haiti	-	124	-
Other Latin American Republic	11	16	8
Total Latin American Republic	1,085	1,238	1,160
Canada	99	62	201
Republic of Philippines	10	11	12
Japan	2	55	1
Israel	33	7	20
Egypt	-	-	12
Lebanon	15	28	32
Others	33	38	83
Total	192	201	361
Grand total	2,189	1,739	2,226

NIGERIA'S PEANUT CROP
EXPECTED TO BE DOWN

Nigerian exports of peanuts in the 1957 calendar year are expected to decline from the level of 1956. Purchases of peanuts by Nigeria's Central Marketing Board in 1956-57 are unofficially forecast at about 450,000 short tons (shelled basis), considerably less than the record 594,000 tons purchased in 1955-56. Apart from the quantities purchased by the Marketing Board, it is estimated that annual local consumption is about 225,000 tons and seed use about 55,000 tons.

Based on the record purchases in 1955-56, peanut exports in 1956 should be close to 475,000 tons, somewhat more than in 1955 when the total was 445,000 tons. Another 110,000 tons of nuts are expected to go to the oil mills, which must meet their requirements with peanuts purchased from the Marketing Board. Most of the oil therefrom will also be exported, largely to the United Kingdom. Peanut oil exports through the first half of 1956 were nearly 17,000 tons. Exports were 37,700 tons during the whole of 1955.

Reports from Nigeria are that foreign market prospects for the 1956-57 crop are considered only fair. This was reflected in the action of the Central Marketing Board, which reduced the minimum guaranteed producer price by approximately $7.00 per ton for "Standard Grade" peanuts. In a continuing effort to maintain quality, the producer price for "Special Grade" was lowered only about $2.00 per ton.

The average f.o.b. export price for 1955-56 crop peanuts going into export as "free sales" has been £ 59-11-10 per long ton, shelled (approximately $149.00 per short ton), while the price for those going to the United Kingdom under "bulk contracts" has been £68-4-0 ($170.00).

AUSTRIA EXPANDS DOLLAR LIBERALIZATION OF AGRICULTURAL PRODUCTS

The Austrian Government has taken a further step towards the liberalization of agricultural products from the United States. In addition to various vegetable oils, lemons, and certain canned fruits and juices liberalized last year, the following agricultural commodities of interest to the United States were freed from quantitative restrictions as of October 15, 1956: Raisins, currants, dried prunes, dates, and all other dried fruits; oranges, tangarines; almonds, walnuts and hazelnuts; canned pineapples, canned grapefruit, canned peaches; grapefruit and pineapple juices and mixtures thereof; all vegetable juices except tomato juice; rice; hops and hop meal; oil cakes except rapeseed oil cake; hides and skins; wool fat and wool. Cotton will be liberalized as of January 1, 1957.

WORLD PRODUCTION OF SOYBEANS AT RECORD HIGH FOR THIRD SUCCESSIVE YEAR

World production of soybeans in 1956 is estimated by the Foreign Agricultural Service at an all-time high of 854 million bushels. This volume of output would exceed the previous record crop produced in 1955, by over 10 percent and the prewar average by 84 percent.

The increase of almost 100 million bushels from 1955 in the United States is partially offset by the reduction that is believed to have occurred in China-Manchuria and in most of the other producing areas of the world.

While world supplies of soybeans for the 1956-57 marketing year (beginning October 1) are at a record high, world demand for soybeans, soybean oil and oilseed cake and meal continues strong. United States exports of beans and oil, bean equivalent basis, in the 1955-56 marketing year reached an all-time high, surpassing shipments of 1954-55 by almost 85 percent, and exports from the new crop are expected to continue heavy. Northbound movement of Chinese soybeans through the Suez Canal during the first 6 months of 1956 were 18 percent greater than in the comparable period of 1955. Prospects for Chinese exports of soybeans in 1956-57 are problematical and depend partly on the actual extent of the decline in production. Also, a continued shortage of vegetable oils in reported in China. However, Chinese exports of a commodity are often based on foreign exchange requirements, political considerations, barter deals, and other factors not connected with the domestic supply and demand situation for the commodity in question.

Soybean production in the United States in 1956 is estimated at a record 470,064,000 bushels from a record 20,953,000 harvested acres. This is an increase of 27 percent from the previous high produced in 1955 and 85 percent above the 10 year (1945-54) average. With continued restrictions on acreage planted to corn, wheat and cotton in 1956, farmers increased their plantings to soybeans for all purposes by 2.2 million acres last spring. Growing conditions have been favorable in most of the main soybean belt and the national average yield, estimated at 22.4 bushels, is the highest of record.

The first forecast of Canadian production places the harvest at 4,980,000 bushels, a decline of 12 percent from the record 5,650,000 bushels produced in 1955 but 77 percent above the 10 year (1945-54) average of 2.8 million bushels. Soybean acreage increased 7 percent but unfavorable weather reduced the yield to 21.8 bushels compared with the all-time high of 26.4 bushels in 1955. This is the first year since 1943 that Canadian soybean production has declined from output of the previous year. Prior to this year, soybeans were produced commercially only in Ontario Province, although attempts have been made to introduce the crop elsewhere, particularly in Manitoba. This year an estimated 3,000 acres were planted in Manitoba but the growing season was too short and yields ranged from complete failures to about 15 bushels per acre with the average probably about 10 bushels.

Soybean production in China-Manchuria probably failed to reach the 1955 outturn, which is unofficially estimated at 335 million bushels. Acreage reportedly increased in North Manchuria but this increase is believed to have been largely nullified by heavy floods which are said to have inflicted the most severe damage in the major soybean areas. Also, while special emphasis reportedly was placed on the production of grains (which in China include soybeans) by government planners at the time of planting, higher net returns from some cereals and cotton may have caused some shifting of acreage away from soybeans.

Japan's crop is estimated at 16 million bushels, a decrease of 14 percent from the near-record 18 million harvested last year. Acreage increased somewhat in Hokkaido, the major producing area, but growing conditions were extremely poor owing to below-normal temperatures. In other areas of Japan, growth of the crop was near normal but acreage decreased. Soybean imports are expected to increase substantially in the second half of the Japanese fiscal year (October 1956 - March 1957). Japan is by far the major market for United States soybeans, accounting for well over one-third of the total exports in recent years.

Soybean production in Indonesia increased 10 percent to almost 14 million bushels in 1956. Larger crops also were reported for Korea, Taiwan and Thailand.

In Brazil, production -- estimated at 4 million bushels -- was down slightly from 1955. Production in the next few years is expected to increase considerably as solvent extraction plants become available and mechanization increases.

Soybean output in Africa is relatively insignificant. Nigeria is the leading producer but small quantities also are grown in British East Africa, the Belgian Congo and the Union of South Africa. As only small quantities are consumed locally in Nigeria, exports are a reliable measure of production. Exports in 1956 are expected to approximate 560,000 bushels or 50 percent more than in 1955.

This is one of a series of regularly scheduled reports on world agricultural production approved by the Foreign Agricultural Service Committee on Foreign Crop and Livestock Statistics. It is based in part upon reports of Agricultural Attaches and other U. S. representatives abroad.

SOYBEANS: Acreage, yield per acre and production in specified countries and the world, averages 1935-39 and 1945-49, annual 1954-1956 1/

Continent and country	Acreage 2/					Yield per acre					Production				
	Average 1935-39	Average 1945-49	1954	1955	1956 3/	Average 1935-39	Average 1945-49	1954	1955	1956 3/	Average 1935-39	Average 1945-49	1954	1955	1956 3/
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Bushels	Bushels	Bushels	Bushels	Bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
NORTH AMERICA															
Canada	4/ 10	73	254	214	228	21.3	20.5	19.5	26.4	21.8	4/ 207	1,491	4,953	5,650	4,980
United States 5/	3,042	10,649	16,971	18,668	20,953	18.5	19.6	20.1	19.9	22.4	56,167	208,885	341,565	371,106	470,064
EUROPE															
Italy	6/	4	1	1	-	12.1	17.8	22.1	22.1		4/ 1	74	24	14	-
Yugoslavia	5	15	3	7	6	14.9	10.1	15.0	18.0	15.0	71	155	48	123	90
Other Europe	95	70	95	95	100	-	-	-	-	-	1,065	455	535	565	555
U.S.S.R. (Europe and Asia)	7/ 607	-	-	-	-	-	-	-	-	-	7/ 5,805	-	-	-	-
ASIA															
Turkey	7/ 1	4/ 4	12	12	17	29.0	10.9	12.4	12.3	14.9	7/ 37	45	154	147	257
China	12,411	11,256	-	-	-	16.7	16.9	-	-	-	207,666	190,248	8/ 180,000	8/ 335,000	8/ 325,000
Manchuria	8,992	4/ 7,048	-	-	-	16.8	16.5	-	-	-	151,294	4/ 116,475	8/ 140,000		
Indonesia	9/ 889	7/ 872	1,298	1,285	1,359	10.0	11.2	11.3	9.8	10.3	9/ 9,731	7/ 9,736	14,712	12,642	13,962
Japan	797	587	1,082	953	948	15.6	12.2	12.8	19.6	17.0	12,338	7,178	13,816	18,632	16,094
Korea 10/	4/ 1,921	583	637	664	664	10.0	8.5	9.2	8.2	8.7	17,654	4,978	5,890	5,464	5,775
Taiwan (Formosa)	4/ 17	32	-	85	-	8.9	9.4	-	10.4	-	4/ 151	297	746	887	1,032
Tailand	4/ 15	4/ 17	-	-	-	15.4	10.1	-	-	-	4/ 232	4/ 167	790	829	845
SOUTH AMERICA															
Brazil	-	23	168	167	161	-	19.0	25.6	24.8	23.4	-	446	4,311	4,137	4,042
AFRICA															
Nigeria	-	3	-	-	-	-	-	-	-	-	-	4/ 35	11/ 353	11/ 372	11/ 560
Union of South Africa	-	4/ 10	-	-	-	-	5.2	-	-	-	-	4/ 54	-	-	-
Total excluding "Other Europe," U.S.S.R., Chinese Mainland and North Korea	5,670	12,940	20,685	22,250	24,630	-	-	-	-	-	87,185	234,140	388,290	420,975	518,670
World total 12/	29,000	32,650	42,720	44,285	49,170	-	-	-	-	-	463,720	551,280	718,195	765,910	853,595

1/ Years shown refer to years of harvest. Southern Hemisphere crops which are harvested in the early part of the year are combined with those of the Northern Hemisphere harvested the latter part of the same year. 2/ Figures refer to harvested areas as far as possible. 3/ Preliminary. 4/ Average of less than 5 years. 5/ Acreage harvested for beans. 6/ Less than 500 acres. 7/ One year only. 8/ Unofficial estimate. 9/ Java and Madura only. 10/ Beginning with 1948 figures represent South Korea only. 11/ Exports. Local consumption is small. 12/ Includes estimates for the above countries for which data are not available and for minor producing countries.

Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign governments, reports of Agricultural Attaches and other United States representatives abroad, results of office research, or other information. Prewar estimates for countries having changed boundaries have been adjusted to conform to present boundaries, except as noted.

MEXICO'S OILSEED PRODUCTION APPROXIMATES 1955 LEVEL; CASTOR EXPANSION PLANNED

Mexico's over-all production of oil-bearing materials in 1956 is expected to be essentially the same as in 1955. While output of cottonseed is estimated to be down nearly 6 percent from last year, sesame seed production is believed to be up over one-third. Increases are also estimated for flaxseed, castor beans, and rapeseed.

Table 1 - MEXICO: Oilseeds and oil-bearing materials, production and stocks, 1955 and 1956

Oilseed or oil-bearing material	1955			1956 1/		
	Area	Production	Stocks December 31	Area	Production	Stocks December 31
	1,000 acres	1,000 short tons	1,000 short tons	1,000 acres	1,000 short tons	1,000 short tons
Cottonseed	2,698	855	428	2,128	803	402
Copra	104	83	3	106	88	4
Palm nut kernal	49	16	2/	49	18	2/
Sesame seed	432	72	64	444	99	89
Peanuts	185	88	57	148	83	56
Flaxseed	25	11	2	32	14	1
Castor beans	20	2	2/	25	7	2
Rapeseed	3/	8	2/	3/	9	2/
Olives	4/ 1,000	3	2/	4/1,079	3	2/
Total		1,138	554		1,124	554

1/ Preliminary. 2/ Negligible. 3/ Rapeseed grows wild. 4/ Number of trees.

Compiled from official and unofficial sources.

The principal development of recent months in vegetable oilseeds is the planned expansion of castor bean production. At least 3 organizations have been investigating the possibility of growing large acreages of this oilseed. One firm planted almost 5,000 acres in 1956 and has reported plans for over 247,000 acres in 1957. Reports on the crop in Oaxaca, the principal producing state, have been conflicting. However, the outturn in that state is expected to be small this year due to unfavorable weather last winter. Production from the 5,000 acres in Sinaloa is unknown as yet, but good yields should result from the hybrid seed and good cultural practices used there.

Table 2 - MEXICO: Vegetable oils, production and stocks, 1955 and 1956

Oil	1955		1956 1/	
	Production	Stocks December 31	Production	Stocks December 31
	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons
Cottonseed	114	33	121	33
Coconut	50	3	53	3
Palm nut	10	2/	11	2/
Sesame	42	2	32	2/
Peanut	3	2/	3	2/
Linseed	3	3/	5	3/
Castor	1	2/	2	3/
Rapeseed	2	2/	2	2/
Olive	3/	2/	2/	2/
Total	225	38	229	36

1/ Preliminary. 2/ Negligible. 3/ Less than .5 tons.

Compiled from official and unofficial sources.

The intended heavy plantings of flaxseed for export, which were reported earlier for Sonora and Sinaloa, did not materialize. Total area to flaxseed in Mexico was 32,000 acres. The current estimate of production is 512,000 bushels compared with 394,000 in 1955. Oil production is expected to amount to 4,500 tons.

Peanut acreage in 1956 was reduced to about 80 percent of the 1955 area. Good growing conditions, however, have almost offset this reduction and peanuts available for export are expected to be about the same as from the 1955 crop.

Mexico's foreign trade in oilseeds and vegetable oils was relatively small in the first 8 months of 1956. Peanut exports dropped 37 percent from the corresponding period of 1955. No flaxseed exports were reported through August and shipments during the last 4 months are expected to be small. A downward change in the official price of flaxseed under export fraction 28-23 from 1.30 to 1.15 pesos per gross kilogram ($2.64 to $2.34 per bushel) was recently published in the "Diario Official."

Table 3 - MEXICO: Vegetable oilseeds, fats and oils, exports and imports, January-August 1955 and 1956

Commodity	January-August 1955	January-August 1956 1/	Commodity	January-August 1955	January-August 1956 1/
	Short tons	Short tons		Short tons	Short tons
Exports:			Imports cont'd		
Peanuts, shelled..	21,188	10,567	Other oilseeds...	3/	9
Peanuts, unshelled	2,876	4,585	Linseed oil......	3/	4
Other oilseeds....	0	3	Olive oil........	771	327
Industrial fats and oils 2/......	290	360	Castor oil.......	15	201
Other fats and oils 2/..........	3	9	Palm fat, crude..	288	360
Imports:			Soybean oil......	182	888
Cottonseed........	11,427	4,593	Other vegetable fats...........	27	33
Sesame seed.......	3/	67	Other vegetable oils...........	139	109

1/ Preliminary. 2/ Excluding animal fats and oils. 3/ Less than .5 tons.

Direccion General de Estadistica.

The only important import during the first 8 months of 1956 was cottonseed for planting. However, trade sources indicate that a sizable quantity of soybean oil will be imported during the last 4 months of the year.

Anticipated increases of plantings of castor beans in 1957 are expected to result in changes in export restrictions which will allow exports of both beans and oil.

INDIA'S VEGETABLE OIL SUPPLY IN 1957 MAY APPROACH 1955 RECORD; PRICES STILL HIGH

India's supply of edible vegetable oils from domestic production in the 1956-57 crop year may be close to the all-time record of nearly 2.1 million short tons set in 1954-55.

No official estimate of the peanut crop now being harvested has been released so far, but an increase in acreage of 16 percent from last year, as a result of the sizable advance of peanut prices, indicates a record crop of nearly 4.9 million tons. This compares with last year's estimated 4.26 million tons and with the previous record 1954 crop of 4.62 million tons. The Bombay trade predicts a one-fifth increase from last year's output.

No significant change in either acreage or production of flaxseed, which will be harvested in early 1957, is expected. Flaxseed production has been quite stable in the last few years, at about 17 million bushels (425,000 tons).

The acute shortage of rapeseed and mustard seed will not be eased until early next year. The current outlook is for a 1957 crop considerably greater than in 1956, though still well below the record in 1954-55. Estimated production of sesame seed, now being harvested, is appreciably in excess of the estimate for last year but less than in 1954-55.

Production of castor beans, like that of flaxseed, has been steady, averaging about 140,000 tons in recent years, and no departure from this level is expected for the crop to be harvested early in 1957.

INDIA: Harvested area and production of principal oilseeds, crop years 1/ 1954-55 and 1955-56, and preliminary estimates, 1956-57

Commodity	Area			Production		
	1954-55	1955-56	1956-57	1954-55	1955-56	1956-57
	Thousand acres			Thousand short tons		
Peanuts 2/	13,548	12,585	14,400	4,623	4,261	4,872
Sesame 2/	6,501	5,738	6,300	660	513	616
Rape and mustard seed 3/	6,025	6,262	6,000	1,141	.932	1,008
Flaxseed 3/	3,354	3,424	3,400	428	421	420
Castorbeans 3/	1,394	1,462	1,400	139	141	140
Total	30,822	29,471	31,500	6,991	6,268	7,056

1/ July - June
2/ Harvested mainly in September - December
3/ Harvested mainly in January - April

Exports of hand-picked peanuts from the 1955 crop were about 15,000 tons, of which more than one-half went to the United Kingdom. In view of the larger current crop, exports in 1957 are expected to exceed 20,000 tons. Exports of other oilseeds will continue to be negligible as the Government continues to favor oil exports in its licensing policies. (During the Indian fiscal year which ended March 31, 1956, the only oilseed exports of significance besides peanuts -- which are exported for edible use, not for crushing -- were 5,300 tons of niger seed and 3,300 tons of sesame seed.)

Exports of peanut oil (which were embargoed in April, 1956) from the 1955 peanut crop totaled 61,000 short tons, only about one-third of the record 175,000 tons exported from the previous crop. Seventy percent of the 1955-56 shipments went to the Netherlands, Italy and Burma in approximately equal proportions. Exportable supplies of peanut oil during 1956-57 should be considerably larger, though probably not so great as in 1945-55.

The United States was the largest buyer of castor oil from India's 1955-56 crop, exports from which began in February. Of the 23,000 tons exported through July, more than one-half went to the United States with smaller quantities going to the United Kingdom and Australia. No significant change in export availabilities is anticipated for 1957 in view of the relatively stable production.

Despite the chronic domestic shortage of animal feeds, sizable exports of oil cakes are licensed by the Indian Government. Exports during the period October 1955 through July 1956 were 83,000 tons. No breakdown by countries of destination is available for this commodity. Bombay trade sources, who state that most of the cake exported is peanut cake, expect an increase of about 20,000 tons in cake and meal exports in calendar 1957 from their estimate of about 40,000 tons in 1956.

Prices of oilseeds and oils remained at a high level through early September. Prices of rapeseed, mustard seed and sesame seed, supplies of which were apparently running quite short during the year, nearly doubled from September 1955 to September 1956. In the first place, consumers in northwestern India, particularly in the Calcutta area, are apparently so partial to rapeseed and mustard seed oils that they were unwilling to switch to the cheaper peanut and linseed oils. Secondly, the acute shortage of edible oils in East Pakistan may have caused some smuggling from India, thus further reducing the short 1955-56 supply.

Wholesale prices on September 8, 1956, compared with prices on September 3, 1955; were as follows:

Commodity	Rupees per maund		Cents per pound	
	1955	1956	1955	1956
Flaxseed (Bombay)........	15-6	22-2	3.9	5.6
Peanuts (Bombay).........	16-10	23-14	4.2	6.1
Linseed Oil (Bombay).....	39-14	47-12	10.2	12.2
Peanut Oil (Bombay)......	33-4	54-10	8.5	13.9
Mustard Oil (Hapur)......	47-0	79-0	12.0	20.2
Castor Oil (Kanpur)......	23-0	47-0	5.9	12.0

In view of the size of the oilseed crops harvested in 1954-55, and even in the unfavorable 1955-56 year, the oilseed production target of 7.9 million tons envisioned for 1960-61 by the second five-year plan seems attainable, provided favorable market conditions are passed on to growers in sufficient measure. The breakdown of this target is as follows:

Peanuts	5,300,000	short tons
Sesame	730,000	" "
Linseed	480,000	" "
Rape & Mustard	1,200,000	" "
Castor	180,000	" "
Total	7,890,000	" "

It will be noted that this target does not appear to contemplate expanding production of cottonseed oil through the utilization of a greater share of the available cottonseed for crushing, despite the fact that the crushing of the entire cottonseed crop would add about 200,000 tons of oil to the currently estimated supply of edible oils, or nearly as much as the oil content of the increased seed crops planned for 1960-61. Though no reliable data are available, either from official or unofficial sources, it is estimated that not more than about 40,000 tons of cottonseed oil per year is currently produced in India.

WORLD COTTON PRODUCTION DOWN IN 1956-57

World cotton production in 1956-57 is estimated at 38.9 million bales (500 pounds gross weight), 1.5 percent lower than the revised estimate of 39.5 million bales produced in 1955-56. Highlighting 1956-57 production is a drop of nearly 1.5 million bales in the United States and 0.4 million bales in Mexico, contrasted with an increase of 0.6 million bales in the remainder of the Free World and an increase of 0.7 million bales estimated for Communist countries.

World cotton acreage declined 2.3 percent in 1956-57 from a year earlier, mainly in the United States, Mexico and Central America. Yields are higher in many countries this year mainly because of more favorable growing conditions, and removal of much of the lower yielding lands from cotton production.

The United States 1956-57 cotton crop of 13.3 million bales (October estimate) is 10 percent below the 1955-56 crop and 12 percent below the average for the 5 years 1951-55, mainly as a result of acreage restrictions. Production in Foreign Free World countries as a whole is expected to increase slightly from 16.1 million bales in 1955-56 to 16.2 million bales in 1956-57. This increase is a result of better yields per acre, offsetting a decline of 0.9 million acres from 1955-56. Communist countries (principally the Soviet Union and China) are expected to increase production approximately 0.7 million bales in 1956-57 over 1955-56.

Foreign Free World production of Asiatic type short staple cotton is expected to be about 10 percent greater in 1956-57 than in the previous year. India's total 1956 crop is 0.4 million bales larger than last season because of much better yields per acre, while Pakistan's crop is down slightly.

World production of extra long staple cotton increased 11 percent in 1956-57 over last year in response to relatively short free supply and favorable prices at planting time. Most of this increase was in the Menoufi variety in Egypt. The 1956 crop of Sudanese Sakel is estimated at about 400 thousand bales, and the Peruvian Pima and Karnak crops at a record high of 88 thousand bales. The 1957 United States acreage allotment for extra long staple cotton (mainly American Egyptian) is 89,357 acres, almost double the 1956 allotment.

Production of upland type cotton in 1956-57 is expected to be lower in some Foreign Free World countries and higher in others, with the net result being a slight decline in Upland types from a year earlier. In Mexico and the Central American countries cotton acreage in 1956-57 is about 20 percent below a year ago. Plantings in South Brazil are expected to be below those of last year, while North Brazil and Argentina report increases in acreage. Countries producing Upland type cotton in the near East have reported little change in acreage but are expecting improvements in yields in 1956-57 over those in 1955-56. In most African areas Upland production will be about the same as that of a year ago.

United States acreage allotments (state totals) for the 1957 crop are about 0.2 million acres larger than for 1956, but harvested acreage in 1957 may be smaller since acreage removed from cotton to comply with Soil Bank agreements is expected to be greater than in 1956.

Communist areas plan further increases. In the Foreign Free World, production may be slightly higher in 1957-58, depending largely on stability and level of cotton prices prior to planting time. Production in Western Hemisphere countries in general is expected to level off, while further expansion in cotton production is planned in other parts of the world, particularly in Pakistan, India, Sudan, Nigeria, Spain, Greece, and the Near East.

A more detailed discussion of world cotton production is contained in Foreign Agricultural Circular FC 10-56, November 5, 1956.

This is one of a series of regularly scheduled reports on world agricultural production approved by the Foreign Agricultural Service Committee on Foreign Crops and Livestock Statistics. It is based in part upon reports of U. S. Agricultural Attaches and other FAS representatives abroad.

COTTON: Acreage and production in specified areas, averages 1935-39 and 1945-49, annual 1954-56 1/

Continent and country	Acreage: Average 1935-39	Acreage: Average 1945-49	Acreage: 1954	Acreage: 1955 3/	Acreage: 1956 3/	Production 2/: Average 1935-39	Production 2/: Average 1945-49	Production 2/: 1954	Production 2/: 1955 3/	Production 2/: 1956 3/
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales
NORTH AMERICA										
El Salvador	9	35	73	112	94	5	21	90	132	110
Guatemala	-	8	39	52	35	2	5	40	45	40
Mexico	725	1,034	1,820	2,700	2,130	334	577	1,780	2,250	1,800
Nicaragua	9	11	213	257	175	5	7	205	160	180
United States	27,788	21,258	19,251	16,928	15,661	13,149	12,104	13,696	14,721	13,268
British West Indies	20	12	17	13	-	5	4	5	4	-
Haiti	-	37	50	-	-	22	10	8	-	-
Total 4/	28,642	22,403	21,470	20,122	18,175	13,523	12,730	15,828	17,325	15,420
EUROPE										
Bulgaria 5/	85	82	-	-	-	35	20	129	- 72	-
Greece	168	111	270	410	395	76	52	190	279	285
Italy	56	40	100	133	75	21	11	44	63	35
Rumania 5/	8	102	-	-	-	2	-	-	-	-
Spain	46	130	267	406	500	10	18	95	150	175
Yugoslavia	8	-	29	35	37	3	-	7	13	11
Total 4/	372	511	1,146	1,399	1,422	147	127	510	607	621
U.S.S.R. (Europe and Asia)	5,087	3,697	-	-	-	3,430	2,328	-	-	-
ASIA										
Aden	-	-	33	-	-	-	-	19	27	-
Cyprus	11	5	13	12	12	3	1	3	3	3
Iran	453	239	620	650	625	171	85	275	275	275
Iraq	53	22	100	100	-	11	5	31	34	-
Syria	85	59	463	600	675	28	32	365	400	500
Turkey	667	645	1,440	1,520	1,500	249	268	650	600	625
Afghanistan	-	-	150	160	-	49	16	85	90	-
Burma	428	178	450	450	450	97	32	100	85	100
China (incl. Manchuria)	7,038	5,831	9,600	-	-	2,855	1,939	3,100	-	-
India	6/24,204	11,306	18,684	20,230	20,000	6/ 5,348	2,304	4,400	3,800	4,200
Korea 7/	564	344	296	276	-	198	89	65	81	- 72
Indonesia	27	-	-	-	-	9	4	2	2	2
Pakistan	6/	2,965	3,185	3,540	-	6/	1,024	1,300	1,420	1,400
Thailand	16	84	85	-	-	7	26	31	-	-
Total 4/	33,805	21,827	35,158	37,909	38,056	9,038	5,835	10,437	10,168	10,894

SOUTH AMERICA										
Argentina	770	962	1,300	1,300	1,500	289	427	520	525	550
Brazil	5,562	4,520	4,500	5,000	-	1,956	1,352	1,650	1,700	-
Colombia	98	-	230	180	165	23	27	122	103	100
Ecuador	40	41	36	45	40	13	11	12	15	13
Paraguay	111	123	155	140	-	40	47	60	45	-
Peru	428	345	556	556	556	379	308	495	500	500
Venezuela	50	-	50	40	50	11	11	20	13	15
Total 4/	7,060	6,177	6,833	7,267	7,268	2,711	2,184	2,881	2,903	2,941
AFRICA AND OCEANIA										
Sudan	439	371	685	598	-	248	246	403	441	-
Belgian Congo	874	745	850	850	-	172	195	225	240	-
Nyasaland	-	51	-	-	-	13	6	13	9	-
Kenya	84	-	88	100	-	12	8	11	16	-
Tanganyika	-	-	250	-	-	50	38	85	102	100
Uganda	1,477	1,324	1,739	1,686	-	281	227	250	300	-
Egypt	1,821	1,367	1,639	1,885	1,716	1,893	1,456	1,598	1,535	1,523
French Equatorial Africa	390	-	800	800	-	41	104	160	160	160
French North Africa	1	5	30	32	-	8/	2	15	17	-
French West Africa	-	-	175	200	-	28	14	35	40	-
Mozambique	-	557	710	700	700 9/	33	104	135	130	150
Nigeria	-	-	-	-	-	36	48	160	142	165
Angola	73	-	134	136	135	13	24	30	30	28
Southern Rhodesia	2	5	8	6	-	8/	2	2	2	-
Union of South Africa	-	12	90	100	-	2	3	34	33	-
Australia	53	5	13	15	12	11	1	4	3	3
Total 4/	6,176	5,710	8,143	8,313	8,279	2,840	2,483	3,174	3,217	3,254
World total 4/	81,142	60,325	79,250	81,510	79,600	31,689	25,687	38,630	39,520	38,930
Foreign Free World	41,135	29,352	43,419	47,467	46,624	12,218	9,280	15,860	16,097	16,247
Communist countries	12,219	9,715	16,580	17,115	17,315	6,322	4,303	9,074	8,702	9,415

1/ Years refer to crop years beginning August 1, in which major portion of crop was harvested. 2/ Production in bales of 478 pounds net prior to 1946 and 480 pounds thereafter.. 3/ Preliminary. 4/ Includes estimates for minor-producing countries not listed above and allowances for other figures not available. 5/ Figures for 1943 to date are not comparable with prewar figures because of boundary changes. 6/ Pakistan included with India. 7/ South Korea only, after 1941. 8/ Less than 500. 9/ Exports.

Foreign Agricultural Service. Prepared or estimated on the basis of official statistics, reports of United States Agricultural Attaches and other United States representatives abroad and results of office research.

JAPAN INCREASES EXCHANGE ALLOCATION FOR SOYBEAN IMPORTS: 1956 CROP ESTIMATED 14 PERCENT BELOW LAST YEAR

Japan will step up its imports of soybeans. The Government, in allocating foreign exchange for imports during the second half of the Japanese fiscal year, has provided for the importation of 16.0 million bushels (435,000 metric tons) of soybeans in the six-month period October 1956-March 1957. This represents a sharp increase from the second half of the previous fiscal year, when exchange allocations were made for 12.3 million bushels (335,000 tons). Moreover, it is considerably higher than the 11.6 million bushels (315,000 tons) originally planned for importation during the second half of the current fiscal year (see Foreign Crops and Markets, June 25, 1956).

This action may result in imports for the 1956 calendar year close to the 1955 record of 29.6 million bushels. Imports for the first 8 months of the year were 21.2 million bushels, of which 15.4 million were from the United States and 5.4 million from Communist China.

There are two apparent reasons for the upping of the import program: (1) The estimate for the 1956 Japanese soybean crop is 16.1 million bushels, down 14 percent from last year, when the second largest crop on record was harvested; (2) Contrary to earlier expectations in some circles, the placing of soybeans on the "automatic approval", i.e., free-licensing list, was postponed possibly until next April, but the new import allocation is believed to be large enough to permit the trade to import sufficient beans for all its requirements.

The global import allocation for the second half of the fiscal year is as follows: 9.6 million bushels (260,000 tons) for crushing, 4.6 million bushels (125,000 tons) for food uses, 1.5 million bushels (40,000 tons) for feed. In addition 400,000 bushels (10,000 tons) will be permitted to come in under automatic approval, to be used in the manufacture of soybean products for export.

As expected, the 10 percent duty, which had been waived in previous years, was imposed on soybean imports effective October 1. This has reportedly already resulted in a slight price increase in soybean products in Japan, but the trade does not believe that demand or imports will be materially affected.

The United States share in the Japanese soybean market may rise in the coming months, as Japanese importers are said to have been unable to obtain any new crop sales commitments from China through early October.

Imports of 4,000 tons of soybean meal will be allowed during the second half of the fiscal year.

Rapeseed production of 355,040 short tons in 1956 was the largest on record, despite unfavorable weather, as the area was more than 100,000 acres (or one-fifth) greater than last year due to high 1955 prices. Though foreign exchange had been allocated for the importation of 10,000 metric tons of rapeseed during the fiscal year, the Government has restricted the granting of licenses and will probably continue this practice unless the domestic price rises above the equivalent of $176 per metric ton.

Imports of most of the oil-bearing materials other than soybeans in the first 8 months of 1956 were as follows (in short tons):

Copra	33,079
Cottonseed	65,611
Flaxseed	46,319
Castorbeans	20,539
Palm kernels	21,629
Kapok seed	16,375
Sesame seed	16,899
Rapeseed	13,128
Mustard seed	8,019
Peanuts	5,485

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Another Large World Barley and Oats Crop Forecast. Foreign Agriculture Circular FG 13-56

Status of Cotton Purchase Authorizations Under Title 1, Public Law 480. Foreign Agriculture Circular FC 8-56